

**VILLAGE OF SILVERTON
ANNUAL REPORT**



June 2011

Village of Silverton
Financial Statements
For the year ended December 31, 2010

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Management Report

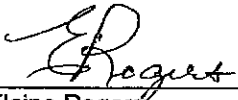
These financial statements have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Council. The Council reviews internal financial statements on a monthly basis and external Audited Financial Statements yearly.

The external auditors, Berg Naqvi Lehmann, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Village's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to financial management of the Village of Silverton and meet when required.

On behalf of the Village of Silverton



Elaine Rogers
Chief Financial Officer
March 14, 2011

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
Village of Silverton

We have audited the accompanying consolidated financial statements of Village of Silverton, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statement of operations, consolidated statement of change in net debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and in accordance with Section 167 of the Community Charter of BC, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT (Continued)

To the Mayor and Council
Village of Silverton

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Silverton as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

April 26, 2011

Nelson, B.C.

Village of Silverton

Consolidated Statement of Financial Position

December 31,	2010	2009
Financial Assets		
Cash and investments (Note 1)	\$ 347,807	\$ 694,210
Accounts receivable (Note 2)	<u>57,388</u>	<u>64,893</u>
	<u>405,195</u>	<u>759,103</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	31,990	34,694
Deferred revenue - Gas Tax Agreement (Note 5)	161,696	148,755
Deferred revenue - Other (Note 6)	9,660	407,305
Capital leases (Note 7)	48,487	102,091
Long-term debt (Note 8)	<u>162,870</u>	<u>186,480</u>
	<u>414,703</u>	<u>879,325</u>
Net debt	(9,508)	(120,222)
Non-financial assets		
Prepaid expense	8,820	8,751
Tangible capital assets (Note 10)	<u>2,229,509</u>	<u>1,879,267</u>
	<u>\$ 2,228,821</u>	<u>\$ 1,767,796</u>
Municipal position		
Financial equity		
Operating funds	\$ 137,488	\$ 132,531
Statutory reserve fund (page 21)	<u>73,181</u>	<u>44,569</u>
	<u>210,669</u>	<u>177,100</u>
Equity in tangible capital assets (Note 11)	<u>2,018,152</u>	<u>1,590,696</u>
	<u>\$ 2,228,821</u>	<u>\$ 1,767,796</u>

Approved on behalf of the Council:

_____, Mayor

Village of Silverton

Consolidated Statement of Financial Activities

For the year ended December 31,

	2010	Budget	2009
Revenue			
Taxation (Schedule 1)	\$ 98,169	\$ 98,494	\$ 93,804
Grants in lieu of taxes (Schedule 1)	2,763	2,763	2,680
Government grants (Schedule 2)	667,220	747,604	601,422
Sale of services			
Customer service	1,705	725	682
Water	59,778	60,025	60,347
Public health	15,965	15,600	15,679
Parks and cultural services	33,910	20,200	20,173
Rentals	7,475	7,425	6,989
Licenses, permits, penalties and fines	7,022	7,575	7,929
Return on investments	9,275	3,500	7,407
Donations and other	9,649	15,700	2,190
Gain on sale of tangible capital assets	<u>12,376</u>	<u>0</u>	<u>0</u>
	<u>925,307</u>	<u>979,611</u>	<u>819,302</u>
Expenses (Note 12)			
General governmental services	145,693	160,240	153,514
Protective services	31,356	36,185	35,267
Transportation services	77,806	101,295	87,931
Water system maintenance	43,697	50,547	28,601
Public health	13,293	13,885	12,571
Parks and cultural services	49,039	39,300	39,176
Studies	0	19,000	0
Debt financing	14,251	13,331	16,150
Amortization	<u>89,147</u>	<u>0</u>	<u>86,985</u>
Total operating expenditures	<u>464,282</u>	<u>433,783</u>	<u>460,195</u>
Annual surplus	461,025	545,828	359,107
Accumulated surplus at beginning of year	<u>1,767,796</u>	<u>1,767,796</u>	<u>1,408,689</u>
Accumulated surplus at end of year	<u>\$ 2,228,821</u>	<u>\$ 2,313,624</u>	<u>\$ 1,767,796</u>

The accompanying notes and schedules are an integral part of these financial statements

Village of Silverton

Consolidated Statement of Changes in Debt

December 31,	2010	2009
Annual surplus	\$ 461,025	\$ 359,107
Acquisition of tangible capital assets	(454,799)	(380,169)
Amortization of tangible capital assets	89,147	86,985
(Gain)/loss on sale of tangible capital asset	(12,376)	0
Proceeds on sale of tangible capital assets	24,110	0
Reversal of P.S.T. obligation	<u>3,676</u>	<u>0</u>
	<u>110,783</u>	<u>65,923</u>
Change in prepaid expense	<u>(69)</u>	<u>1,130</u>
Decrease in net debt	110,714	67,053
Net debt at beginning of year	<u>(120,222)</u>	<u>(187,275)</u>
Net debt at end of year	<u>\$ (9,508)</u>	<u>\$ (120,222)</u>

Village of Silverton

Consolidated Statement of Cash Flows

December 31,	2010	2009
Operating transactions:		
Annual surplus	\$ 461,025	\$ 359,107
Non-cash items:		
Amortization	89,147	86,985
Gain on sale of tangible capital assets	(12,376)	0
(Increase)/decrease in pre-paid expenses	(69)	1,130
Changes to financial assets/liabilities		
(Increase)/decrease in accounts receivable	7,505	(37,895)
Increase/(decrease) in accounts payable	(2,704)	10,643
Increase/(decrease) in deferred revenue	<u>(384,704)</u>	<u>455,002</u>
Cash provided by operating transactions	<u>157,824</u>	<u>874,972</u>
Capital transactions:		
Acquisition of tangible capital assets	(454,799)	(380,169)
Proceeds on the sale of tangible capital assets	<u>24,110</u>	<u>0</u>
Cash applied to capital transactions	<u>(430,689)</u>	<u>(380,169)</u>
Financing transactions:		
Debt repayment	(66,951)	(55,295)
Actuarial adjustments	<u>(6,587)</u>	<u>(1,712)</u>
Cash applied to financing transactions	<u>(73,538)</u>	<u>(57,007)</u>
Increase (decrease) in cash and cash equivalents	(346,403)	437,796
Cash and cash equivalents at beginning of year	<u>694,210</u>	<u>256,414</u>
Cash and cash equivalents at end of year	\$ 347,807	\$ 694,210

December 31, 2010

Basis of Presentation

The Consolidated Financial Statements of the Village of Silverton, which are the representation of management, are prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds. Inter-fund transactions have been eliminated on consolidation.

- i) Operating Funds: These funds include the General and Water operations of the Village. They are used to record the operating costs of the services provided by the Village
- ii) Capital Funds: These funds include the General and Water Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing
- iii) Reserve Funds: Under the *Community Charter*, Village Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund.

Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village. Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

Investments

Investments are recorded at cost, except for investments in the Municipal Finance Authority of British Columbia pooled investments, which are carried at market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.

Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset, commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Buildings	20 - 50 years
Furniture, Fixtures, Equipment and Vehicles	5 - 25 years
Technology	3 - 5 years
Roads	10 - 100 years
Water Infrastructure	10 - 100 years

Village of Silverton

Summary of Significant Accounting Policies

December 31, 2010

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. Significant areas requiring estimates include the determination of accrued payroll liabilities and provisions for contingencies. As such, actual amounts could differ from the estimates.

Budget figures

The budget figures are based on budget Bylaw 461 which was adopted May 13, 2010. Subsequent amendments to the budget have not been reflected in the financial statements

Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2010

1. Cash and investments

	2010	2009
Unrestricted cash and investments	\$ 103,270	\$ 93,581
Restricted cash and investments		
Statutory Reserve	73,181	44,569
Restricted Revenue	<u>171,356</u>	<u>556,060</u>
	<u>\$ 347,807</u>	<u>\$ 694,210</u>

Interest rates on investments range from .05% - 1.05% and mature at various dates to 2010. Recorded values are considered to approximate market values.

2. Accounts receivable

	2010	2009
Property taxes	\$ 16,087	\$ 18,637
Other governments	30,569	41,993
Trade and other	<u>10,732</u>	<u>4,263</u>
	<u>\$ 57,388</u>	<u>\$ 64,893</u>

3. Deposit and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional district.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt reserve fund was comprised of:

	2010	2009
Cash deposits	\$ 3,008	\$ 2,913
Demand notes	<u>13,846</u>	<u>13,846</u>
	<u>\$ 16,854</u>	<u>\$ 16,759</u>

Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2010

4. Accounts payable and accrued liabilities

	2010	2009
Other governments	\$ 17,736	\$ 17,346
Trade and other	14,254	17,348
	\$ 31,990	\$ 34,694

5. Deferred Revenue - Gas Tax Agreement

Gas Tax and Public Transit funding is provided by the Government of Canada and use of the funding is restricted by the terms of a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax funding may be used towards certain public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Public Transit funding may be used towards the cost of certain public transit projects, as specified in the funding agreements.

Federal Gas Tax Agreement Funds

	2010	2009
Opening balance of unspent funds	\$ 148,755	\$ 89,858
Add: Amount received during the year	57,458	57,575
Interest earned	1,711	1,322
Less: Amount spent on eligible project costs	(46,227)	0
Amount spent on administration	0	0
	\$ 161,696	\$ 148,755

6. Deferred Revenue - Other

	2010	2009
R.D.C.K. Community Development Funds	\$ 9,660	\$ 0
Strategic Community Investment Funds	0	204,555
Towns for Tomorrow - Water Infrastructure Grant	0	191,705
Province of B.C. - 2009/2010 Tourism Grant	0	3,545
Playground Equipment Donation	0	7,500
	\$ 9,660	\$ 407,305

Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2010

7. Capital Leases

The Village has entered into capital lease agreements with the Municipal Finance Authority to finance the acquisition of capital assets. The required minimum lease payments over the next three years are as follows:

	2011	33,498
	2012	<u>17,077</u>
	Total minimum payments	50,575
	Less amount representing interest	<u>(2,088)</u>
		<u>\$ 48,487</u>

Total interest expense during the year was \$2,485 (\$4,142 in 2009) and interest rates ranged from 1.25% - 5.25% (1.25% - 5.25% in 2009)

8. Long-term debt

By-law Number	Purpose	Term Remaining	% Rate	2010	2009
General fund					
411	Breakwater project	6 yrs	3%	\$ 33,608	\$ 38,480
Water fund					
410	Water upgrade	6 yrs	3%	<u>129,262</u>	<u>148,000</u>
				<u>\$ 162,870</u>	<u>\$ 186,480</u>

Future annual principal requirements on existing debt in the next five years and thereafter are as follows:

	General Fund	Water Fund
2011	\$ 4,331	\$ 16,658
2012	4,331	16,658
2013	4,331	16,658
2014	4,331	16,658
2015	4,331	16,658
And thereafter	<u>11,953</u>	<u>45,972</u>
	<u>\$ 33,608</u>	<u>\$ 129,262</u>

Village of Silverton
Notes to the Consolidated Financial Statements

December 31, 2010

9. Pension liability

The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Village of Silverton paid \$2,590 for employer contributions to the plan in 2010.

10. Tangible Capital Assets

	2010	2009
General fund		
Land	\$ 93,917	\$ 93,917
Buildings	812,180	617,554
Machinery and equipment	96,258	131,606
Roads - Paving	90,288	96,342
Engineering structures	<u>249,008</u>	<u>258,916</u>
	<u>1,341,651</u>	<u>1,198,335</u>
Water fund		
Engineering structures	873,947	663,663
Machinery and equipment	<u>13,911</u>	<u>17,269</u>
	<u>887,858</u>	<u>680,932</u>
	<u>\$ 2,229,509</u>	<u>\$ 1,879,267</u>

Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2010

11. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2010	2009
Equity in TCA, beginning of year	\$ 1,590,696	\$ 1,240,505
Add: Capital acquisitions	454,799	380,169
Debt principal repayment	66,951	55,295
Actuarial adjustment	6,587	1,712
Less: Amortization	(89,147)	(86,985)
Disposal of tangible capital assets	<u>(11,734)</u>	<u>0</u>
Equity in TCA, end of year	<u>\$ 2,018,152</u>	<u>\$ 1,590,696</u>

12. Expenditure by Object

	2010	2009
Salary, wages and benefits	\$ 267,516	\$ 212,999
Goods and services	93,368	144,061
Interest and finance charges	14,251	16,150
Amortization	<u>89,147</u>	<u>86,985</u>
	<u>\$ 464,282</u>	<u>\$ 460,195</u>

13. Subsequent Event

Subsequent to the year end, a certain employment related matter arose which may expose the Village to legal action. The outcome of this matter and the potential effect on the future financial position of the Village cannot be determined at this time

Village of Silverton
General Fund Statement of Financial Position

December 31	2010	2009
Assets		
Operating fund		
Cash and investments	\$ 261,042	\$ 409,234
Accounts receivable (Note 2)	57,388	64,893
Prepaid expenses	<u>8,820</u>	<u>8,751</u>
	<u>327,250</u>	<u>482,878</u>
Capital fund		
Tangible capital assets (Note 10)	<u>1,341,651</u>	<u>1,198,335</u>
	\$ 1,668,901	\$ 1,681,213
Liabilities and Equity		
Operating fund		
Accounts payable (Note 4)	\$ 31,990	\$ 34,694
Due to other funds	36,127	10,141
Deferred revenue - Gas Tax Agreement (Note 5)	161,696	148,754
Deferred revenue - Other (Note 6)	9,660	215,601
Surplus	<u>87,777</u>	<u>73,688</u>
	<u>327,250</u>	<u>482,878</u>
Capital fund		
Long-term debt (Note 8)	33,608	38,480
Obligation under capital leases (Note 7)	48,487	102,091
Equity in tangible capital assets	<u>1,259,556</u>	<u>1,057,764</u>
	<u>1,341,651</u>	<u>1,198,335</u>
	\$ 1,668,901	\$ 1,681,213

Approved on behalf of the Council:

_____, Mayor

Village of Silverton

General Capital Fund Statement of Financial Activities

For the year ended December 31	2010	2009
Sources of Financing		
Transfers		
Transfer from reserve fund	\$ 0	\$ 52,500
Transfer from general operating fund	210,866	119,374
Proceeds from sale of fire truck	<u>6,000</u>	<u>0</u>
	<u>\$ 216,866</u>	<u>\$ 171,874</u>
Capital Expenditures		
General government services	\$ 216,866	\$ 171,874
Equity in Tangible Capital Assets		
Increases		
Debt reduction		
Principal repayment	\$ 50,293	\$ 38,637
Actuarial adjustment	4,507	353
Capital expenditures		
Own funds	6,000	0
General operating fund	<u>210,866</u>	<u>171,874</u>
	271,666	210,864
Decrease		
Amortization		
	(58,140)	(58,685)
Loss on Sale of Capital Assets	<u>(11,734)</u>	<u>0</u>
Change in equity in tangible capital assets	201,792	152,179
Balance, beginning of year	<u>1,057,764</u>	<u>905,585</u>
Balance, end of year	<u>\$ 1,259,556</u>	<u>\$ 1,057,764</u>

Village of Silverton

General Operating Fund Statement of Financial Activities

For the year ended December 31	2010	Budget	2009
Revenue			
Taxation - net (Schedule 1)	\$ 98,169	\$ 98,494	\$ 93,804
Grants in lieu of taxes (Schedule 1)	2,763	2,763	2,680
Grants and transfers	429,287	435,899	393,126
Sales of services			
Customer service	1,705	725	682
Public health	15,965	15,600	15,679
Parks and cultural services	33,910	20,200	20,173
Rentals	7,475	7,425	6,989
Licenses, permits, penalties and fines	7,022	7,575	7,929
Returns on investments	1,421	2,000	1,748
Other	9,649	15,700	2,190
	<u>607,366</u>	<u>606,381</u>	<u>545,000</u>
Expenditures			
General governmental services	145,693	160,240	153,514
Protective services	31,356	36,185	35,267
Transportation services	77,806	101,295	87,931
Public health	13,293	13,885	12,571
Parks and cultural services	49,039	39,300	39,177
Environmental development services	0	19,000	0
Interest on long-term debt	4,931	4,011	6,830
	<u>322,118</u>	<u>373,916</u>	<u>335,290</u>
Net operating revenues over expenditures	<u>285,248</u>	<u>232,465</u>	<u>209,710</u>
Fiscal services			
Debt principal repayments	(50,293)	(51,693)	(38,637)
Transfer to general capital fund	(210,866)	(170,772)	(119,374)
Transfer to capital reserve fund	(10,000)	(10,000)	(20,000)
Transfer to water operating	0	0	(4,100)
	<u>14,089</u>	<u>0</u>	<u>27,599</u>
Change in surplus	<u>14,089</u>	<u>0</u>	<u>27,599</u>
Surplus, beginning of year	<u>73,688</u>	<u>73,688</u>	<u>46,089</u>
Surplus, end of year	\$ 87,777	\$ 73,688	\$ 73,688

The accompanying notes and schedules are an integral part of these financial statements

Village of Silverton
Water Fund Statement of Financial Position

December 31	2010	2009
Assets		
Operating fund		
Cash and investments	\$ 901	\$ 199,614
Due from other funds	<u>48,810</u>	<u>50,934</u>
	<u>49,711</u>	<u>250,548</u>
Capital fund		
Tangible capital assets (Note 10)	<u>887,858</u>	<u>680,932</u>
	<u>\$ 937,569</u>	<u>\$ 931,480</u>

Liabilities and Equity

Operating fund		
Deferred grant revenue	\$ 0	\$ 191,705
Surplus	<u>49,711</u>	<u>58,843</u>
	<u>49,711</u>	<u>250,548</u>
Capital fund		
Long-term debt (Note 8)	129,262	148,000
Equity in tangible capital assets	<u>758,596</u>	<u>532,932</u>
	<u>887,858</u>	<u>680,932</u>
	<u>\$ 937,569</u>	<u>\$ 931,480</u>

Approved on behalf of the Council:

_____, Mayor

Village of Silverton

Water Capital Fund Statement of Financial Activities

For the year ended December 31	2010	2009
Source of Financing		
Transfers		
Water operating fund	\$ 237,933	\$ 208,295
Capital expenditures		
Water system	\$ 237,933	\$ 208,295
Equity in Tangible Capital Assets		
Increases		
Principal repayment	\$ 16,658	\$ 16,658
Actuarial adjustment	2,080	1,359
Capital expenditures	<u>237,933</u>	<u>208,295</u>
	<u>256,671</u>	<u>226,312</u>
Decrease		
Amortization	<u>(31,007)</u>	<u>(28,300)</u>
Change in equity in tangible capital assets	225,664	198,012
Balance, beginning of year	<u>532,932</u>	<u>334,920</u>
Balance, end of year	<u>\$ 758,596</u>	<u>\$ 532,932</u>

Village of Silverton

Water Operating Fund Statement of Financial Activities

For the year ended December 31	2010	Budget	2009
Revenue			
Water user charges	\$ 59,628	\$ 58,525	\$ 58,729
Water grants	237,933	311,705	208,295
Connections and inspections	150	1,500	1,619
Return on investments	<u>765</u>	<u>1,500</u>	<u>3,021</u>
	<u>298,476</u>	<u>373,230</u>	<u>271,664</u>
Expenditure			
Administration	15,244	16,007	14,250
Water system maintenance	28,453	34,540	14,351
Water study	0	0	0
Interest on long-term debt	<u>9,320</u>	<u>9,320</u>	<u>9,320</u>
	<u>53,017</u>	<u>59,867</u>	<u>37,921</u>
Net operating revenues over expenditures	245,459	313,363	233,743
Fiscal services			
Debt principal repayments	(16,658)	(16,658)	(16,658)
Transfer to water capital fund	(237,933)	(311,705)	(208,294)
Transfer from general operating fund	<u>0</u>	<u>0</u>	<u>4,100</u>
	<u>(254,591)</u>	<u>(328,363)</u>	<u>(220,852)</u>
Change in surplus	(9,132)	(15,000)	12,891
Surplus, beginning of year	<u>58,843</u>	<u>58,843</u>	<u>45,952</u>
Surplus, end of year	49,711	\$ 43,843	\$ 58,843

Village of Silvertown
Reserve Funds Statement of Financial Position

December 31	2010	2009
Assets		
Reserve funds		
Cash and investments	\$ 85,864	\$ 85,362
	<u>\$ 85,864</u>	<u>\$ 85,362</u>
Liabilities		
Reserve funds		
Due to other funds	\$ 12,683	\$ 40,793
Reserve fund balance	<u>73,181</u>	<u>44,569</u>
	<u>\$ 85,864</u>	<u>\$ 85,362</u>

Approved on behalf of the Council:

_____, Mayor

Village of Silverton

Reserve Funds Statement of Financial Activities

For the year ended December 31	2010	2009
Reserve funds		
Sources of funds		
Return on investments	\$ 502	\$ 926
Transfer from operating fund	10,000	20,000
Proceed from Sale of Land	<u>18,110</u>	<u>0</u>
	<u>28,612</u>	<u>20,926</u>
Expenditures		
Transfer to general capital fund	<u>0</u>	<u>52,500</u>
Change in reserve fund balance	28,612	(31,574)
Fund balance, beginning of year	<u>44,569</u>	<u>76,143</u>
Fund balance, end of year	\$ 73,181	\$ 44,569

Village of Silverton
Schedule 1
General Operating Fund - Taxation and Grants in Lieu of Taxes

For the year ended December 31	2010	Budget	2009
Taxation - net			
Taxation revenue is comprised of the following amounts raised less transfers to other governments			
Taxation			
General municipal purposes	\$ 98,340	\$ 98,494	\$ 93,804
Collections for other governments			
School District	127,346	127,783	112,228
Regional District	40,173	40,304	37,722
Regional Hospital District	8,526	8,554	7,631
British Columbia Assessment Authority	3,254	3,268	2,691
Municipal Finance Authority	9	9	8
Police tax	<u>10,139</u>	<u>10,172</u>	<u>8,299</u>
	<u>287,787</u>	<u>288,584</u>	<u>262,383</u>
Transfers to other Governments			
School district	127,346	127,783	112,228
Regional District	40,304	40,304	37,722
Regional Hospital District	8,552	8,554	7,631
Municipal Finance Authority	9	9	8
British Columbia Assessment Authority	3,268	3,268	2,691
Police Tax	<u>10,139</u>	<u>10,172</u>	<u>8,299</u>
	<u>189,618</u>	<u>190,090</u>	<u>168,579</u>
	<u>\$ 98,169</u>	<u>\$ 98,494</u>	<u>\$ 93,804</u>
Grants in lieu of taxes			
B.C. Hydro	\$ 1,797	\$ 1,797	\$ 1,743
Telus	<u>966</u>	<u>966</u>	<u>937</u>
	<u>\$ 2,763</u>	<u>\$ 2,763</u>	<u>2,680</u>

Village of Silverton
Schedule 2
General Operating Fund - Grants and Transfers

For the year ended December 31	2010	Budget	2009
Government Grants			
B.C. Small Community Grant	\$ 281,774	\$ 281,774	\$ 281,774
B.C. Street Lighting Grant	538	512	512
Other Provincial Grants	199,132	209,132	269,363
Other Federal Grants	99,050	98,986	29,223
Other Grants	40,498	30,700	20,550
Gas Tax Grant	<u>46,228</u>	<u>126,500</u>	<u>0</u>
	\$ 667,220	\$ 747,604	\$ 601,422

VILLAGE OF SILVERTON
PERMISSIVE TAX EXEMPTIONS GRANTED – 2010

In accordance with Section 98(2)(b) of the Community Charter, the following properties in the Village of Silverton were provided permissive property tax exemptions by Council in 2010:

Legal Description	Civic Address	Organization	Value of Exemption
Lots 15-16, Block 40, Plan 574A, DL434, KLD	324 Alpha Street	United Church of Canada	\$ 300.62
Lots 5-6, Block 28, Plan 574, DL434, KLD	704 Lake Avenue	Congregation of Jehovah's Witnesses	\$ 348.63

VILLAGE OF SILVERTON
2010 REPORT ON MUNICIPAL SERVICES AND OPERATIONS

Municipal Services and Operations in 2010 consisted of:

- Garbage pick up
- Water supply
- Road maintenance
- Sidewalk maintenance and repair
- Lawn mowing and park improvements
- Fire protection services

The Village of Silverton was successful in obtaining a Community Adjustment Fund grant in 2010 that was used in the construction of a new washroom building in the lakeside campground. The Village also received Recreational Infrastructure Canada funding that assisted with putting a new roof, cement floor and lighting in the curling rink and new playground equipment in the park. With surplus funds in the operating budget, capital improvements to the municipal office were made.

The Village continued their water system improvements. A new well was drilled, a new reservoir was constructed and the exiting pump and pipe was replaced in the existing well.

VILLAGE OF SILVERTON
DECLARATION OF DISQUALIFICATION

Pursuant to Section 111(6)(b) or (c) of the Community Charter, no members of Council were disqualified from holding office in the 2010 fiscal year.

VILLAGE OF SILVERTON
2010 COMPREHENSIVE PROGRESS REPORT

<u>SERVICE</u>	<u>OBJECTIVE</u>	<u>STRATEGY</u>	<u>MEASURE</u>
Recreation	improvements to campground	construct new washroom in the lakeside campground	Completed
		start planning for creekside campground improvements	In progress
	improvements to curling rink/arena	remove centre posts, replace roof, pour cement floor	Completed
	improvements to playground	purchase and install new playground equipment	Completed
Water	improvements to water system	replace existing pump and pipe	Completed
		construct new reservoir	Completed
		drilled new well	Completed
		water main upgrade	In progress
		install new pump	In progress
		replace mechanical in pumphouse for both wells	In progress
Streets and Sidewalks	assess sidewalks,	repair sidewalks on Lake Ave.	Ongoing
	apply for funding for trees on boulevards and parks	funding obtained, trees to be planted in 2011	In progress

Cultural	assess Gallery building	assess building to identify priorities for repairs	In progress
	hire manager and assess fee structure for Memorial Hall	a manager was hired and the fee structure updated	Completed
Buildings	plan for renovations to Municipal office	improvements to Municipal office are 90% complete	In progress
Administration	prepare staffing, snow removal, etc. Policies	staffing policy other policies and procedures in planning	Completed In progress
	finalize OCP and Zoning bylaws	final adoption of OCP Zoning bylaw in planning	Completed In progress
	review and assess water and garbage rates for 2011	water and garbage rates bylaws updated for 2011	Completed
	review building values for insurance	new statement of values prepared for insurance	Completed
	obtain funding for geothermal study	funding received, study deferred to 2011	In progress

VILLAGE OF SILVERTON
2010 STATEMENT OF OBJECTIVES AND MEASURES

<u>Project</u>	<u>Accomplished/On Schedule</u>	<u>Behind Schedule</u>
Water system upgrade	X	
Campground improvements	X	
Curling Rink improvements	X	
Municipal Building Renovation		X
Rate/Fee Structure Review	X	
Policy Review		X
Gallery building assessment		X

2011 STATEMENT OF OBJECTIVES AND MEASURES

<u>Project</u>
Complete Water System Upgrade
Complete Municipal Building Renovation
Complete Policy Manual
Complete Geothermal Study
Update Emergency Plan
Establish Individual Equipment, Building and Water Reserve Funds

VILLAGE OF SILVERTON
STRATEGIC COMMUNITY INVESTMENT FUNDS PLAN AND REPORT

Intended Use	Performance Target	Progress Made to First Reporting Period (June 30, 2010)	Progress Made to Second Reporting Period (June 30, 2011)
Use funding to support local government services to avoid excessive tax rate increases	Minimize tax rate increases	Tax increases have remained consistent	5% increase to general overall municipal taxation

MAYOR'S REPORT

2010 was one of the busiest and most productive for the Village of Silverton, in recent years. Grants from the Provincial and Federal Governments drove a variety of infrastructure projects. Completion of the OCP was a priority for Council.

The Provincial Towns for Tomorrow grant of \$400,000, to upgrade and improve the Village water system, saw us drill a second well and enlarge the pumphouse to accommodate the second well and the upgraded electronic controls. A new reservoir was built and connected to the water system. The old reservoir was refurbished with a new liner to repair it and extend its usable life. A number of waterlines in the Village were upgraded. 2011 will see the completion of this project and the new well will come online to ease the load on the existing pump and well. The system upgrades will provide both redundancy to the system and a plentiful supply of potable water for many years.

Two grants under the Federal Infrastructure program allowed for improvements to our campground and curling rink. The first grant was to build a new washroom facility for our campground to provide hot showers along with new toilets and wash basins. The project provided employment and training for three people over the 2009-10 winter and spring. The washrooms were ready for the 2010 camping season and resulted in increased campground usage and tourism in our area. The second grant was a partnership between the Area Society, the Village, the Federal Government and a private donation. It provided funds to install a new roof, an insulated concrete floor and new lighting in the curling rink. We expect the curling rink to be fully functional in 2011. Also included in this project were improvements to the children's playground.

Council worked with administration and a consultant to complete the new Official Community Plan which had been started in 2007 and was the first revision since 1996. It was adopted in June 2010.

Silverton is a small community with an abundance of parks and recreation facilities, which challenges council to look for ways to maintain its infrastructure. Ongoing grants such as the Gas Tax/Public Transit Funds and Strategic Community Investment Funds are critical to Silverton and our ability to maintain our community.

2010 saw us make active use of our website, www.silverton.ca to keep residents and visitors informed and in 2011 we will be creating an electronic mailing list to more quickly inform residents of important Village incidents.

2011 will see us work to bring our zoning and other bylaws into line with the OCP. The Silverton Gallery will be our centre of attention in 2011, as it has been many years since it's had any renovations. Streets and sidewalks will be assessed and repairs undertaken. A geothermal study will be completed to look at energy efficiency and possible use of geothermal heat for Village properties. Through grants from B.C. Hydro, new trees will be planted throughout the Village. Our Emergency Plan will be reviewed and updated as will our Policy Manual.

In 2011 Council will need to address the declining business district and look at ways of keeping our community viable.